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FISCAL SURVEY OF THE STATES 1980-1981

NATIONAL GOVERNORS' ASSOCIATION
OFFICE OF RESEARCH AND DEVELOPMENT
NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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FISCAL SURVEY OF THE STATES 1980-1981

National Governors' Association
Office of Research and Development

National Association of State Budget Officers
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FISCAL SURVEY OF THE STATES, 1980-81

1. Introduction

This is the seventh volume in the annual Fiscal Survey of the States, published by the National Governors' Association and the National Association of State Budget Officers. Based on a questionnaire sent to state budget officers, this survey, like its predecessors, provides a snapshot of state government finances at one specific time. Unlike its predecessors, which provided current-year and prior-year general fund revenues, expenditures and balances, this survey widens the focus to also provide preliminary estimates one year in the future. Thus, this report covers three fiscal years, providing actual year-end data for fiscal 1980, official estimates for fiscal 1981, and preliminary, and therefore less reliable, estimates for fiscal 1982. In view of the volatility of the economy in recent years, which has caused the states to swing between surpluses and shortfalls, it is hoped that the wider focus of this report will enable readers to reach more informed judgments about the fiscal condition of the states.

The information in this survey was obtained in early 1981, generally after the governors' 1982 budgets were presented to the legislatures but before the legislatures acted upon them. As a result, data for fiscal 1981 (July 1, 1980, through June 30, 1981, in most states) are estimates based upon appropriations already made. Data for fiscal 1982 are estimates generally reflecting the recommendations in the governors' budgets. Legislative action in the spring and summer of 1981 and economic events occurring in the first half of 1981 will cause changes in the fiscal 1982 data, and in some states in the fiscal 1981 data as well. It should be noted that the data in all states were collected before the enactment in the summer of 1981 of federal tax and budget cuts which will cause many states significant fiscal problems.

The reader should be aware that states have not only general operating funds but special funds earmarked for particular purposes. The most prominent examples of the special funds are state highway trust funds, which are supported by fuel taxes and motor license fees. Most other special funds are relatively small, however, and are less important to a state's financial condition; state game and fish funds are an example. Because most broad-based state services and most state aid to schools and local governments are financed from the general fund, the status of the general fund is the best single gauge of the financial condition of a state.

All states but Vermont have legal constraints on incurring deficits in their general operating funds, and Vermont has a tradition of operating within its resources. Unlike the federal government, which has operated at an annual deficit for the last twenty years, state governments rarely incur deficits. However, comparisons between "state balances" and "federal deficits" can be misleading if they do not include an explanation of important differences in federal and state government finance. State governments account for general operating funds and capital project funds in separate budgets; the federal government does not. Although states cannot incur operating deficits, they do have debts – totaling about $109.5 billion in 1979 – incurred primarily to finance capital projects. State operating budgets normally contain appropriations for debt service, or the gradual payment of capital funds borrowed through the sale of bonds. (In addition, state and local pension systems have unfunded liabilities estimated as high as $150 to $175 billion, and state unemployment insurance accounts projected a deficit of $2.3 billion for fiscal 1981 and $2.7 billion for 1982.)

In order to comply with legal constraints on incurring deficits, yet cover cash flow needs and emergencies, states plan year-end balances. These generally unobligated balances help states stabilize their program and service levels during fluctuations in the economy. Substantial balances are often required for cash-flow reasons alone.

Although some states can issue short-term notes to cover cash needs, others must have cash to pay their bills every day of the year. Often the low-cash day – the day of the year that the cash balance is lowest – occurs at some time other than the beginning of the fiscal year (usually July 1, when cash is high because of spring income tax payments from individuals and corporations). A state that has its low cash day in October, with cash $100 million below its July 1 total, would need a July 1 balance of at least $100 million to avoid being broke in October. Additionally, some states have severe constitutional limitations on the amount of indebtedness that can be incurred, and in these states, unobligated balances can become a source of funding for the capital projects budget.

State balances then serve a number of purposes: hedges against economic uncertainty or misjudgments of revenue or expenditures; reserves against natural disasters, pending litigation or other emergencies; assurances of adequate cash flow; and sources of capital financing. These needs vary from state to state, and within a state, from year to year.

The size of the unobligated balance, reflected as a percent of total state general fund expenditures, is a key indicator of the fiscal condition of a state government. Although inflation and the rapid growth of severance tax revenues in oil and western coal-producing states in the last several years have distorted traditional patterns, state balances in the aggregate have generally been in the range of 5 percent of general fund expenditures, a level that bond-raters regard as reasonable.[1] A 5 percent balance would keep a state operating about thirteen working days if revenues or expenditures were to vary from estimates.

Although caveats have been clearly stated in previous volumes of the Fiscal Survey, some users of the report persist in portraying state balances as excess funds not

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[1] Understanding the Fiscal Condition of the States (Washington, D.C.: National Governors' Association, 1978), pp. 4-5, p. 12.

needed for the normal operations of the government. Using information from the 1979-80 Fiscal Survey, for example, the National Journal, in its April 19, 1980, issue, displayed state balances (under the heading "surplus") next to state revenue sharing payments in a table with the following introductory language:

> The $2.3 billion state share of general revenue sharing has long been considered a likely target for budget cutters. The reason: while the federal budget has continued to show a deficit, the states — which must operate in the black — have been recording increasingly large surpluses. As the table shows, forty-five states expect to show surpluses in fiscal 1980, thirty-two of them in excess of the sum they will receive in revenue sharing....

The implication is that these thirty-two states could use their surpluses to absorb a loss of state revenue sharing payments without adversely affecting state programs. Yet, in a December 1980 survey of state budget offices conducted by the Kentucky budget office, fourteen of these thirty-two states reported taking at least one of the following actions: cutting spending across the board, increasing taxes, freezing hiring, or freezing capital construction.[2] These actions were taken in the fiscal year in which states lost only half of their revenue sharing payments, suggesting that the impact of a loss of all revenue sharing would have been greater. Among the thirty-two states that the National Journal implied could withstand a loss of state revenue sharing without undue hardship were

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[2] According to the Kentucky survey, twenty-one states were experiencing revenue shortfalls in December 1980; eighteen reported road fund problems; seventeen had imposed across-the-board spending cuts; eleven had increased taxes; fourteen had imposed hiring freezes; four had laid off employees; and twelve had frozen capital construction. The average salary increase planned for fiscal 1981 for state employees was 8.6 percent; the consumer price index rose 12.4 percent in 1980.

Table 1

GENERAL FUND SUMMARY: FY 1980-82[a]

($ in billions)

	FY 1980 Actual	FY 1981 Estimate	FY 1982 Estimate
Beginning Balance	$ 11.2	$ 11.5	$ 4.9
Revenues and Adjustments	$126.1	$136.3	$ 150.7
Expenditures and Transfers	$126.0	$143.1	$ 153.3
Ending Balance	$ 11.3	$ 4.7	$ 2.3
Balance as % of Current-Year Expenditure	9.0	3.3	1.5

[a]In this, and all other tables in this report, detail may not add to total due to rounding.

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Idaho, Iowa, Ohio, Minnesota, Wisconsin, and Washington, all of which faced serious fiscal problems during 1981.

Section 2 of this report represents a summary analysis of the fiscal condition of the states in aggregate. Section 3 provides a more detailed analysis that deals with individual states as well as overall trends. This section is supplemented by state-by-state tables, which appear in the back of the book. Section 4 provides information on major financial developments affecting the states.

2. Summary Analysis

Table 1 represents summary data on the fiscal condition of all fifty states combined into national totals.

Table 2

ANNUAL PERCENTAGE CHANGES IN FISCAL FACTORS

	FY 1980-81	FY 1981-82
Beginning Balance	+2%	-57%
Revenues and Adjustments	+8%	+10%
Expenditures and Transfers	+14%	+7%
Ending Balance	-58%	-52%

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

During FY 1980, state revenues were about equal to expenditures, which kept balances at about $11 billion. However, in FY 1981, expenditures are expected to exceed revenues by over $6.7 billion, which will drop balances to about $4.7 billion. Expenditures are again forecast to exceed revenues in FY 1982, but by a lesser amount, about $2.7 billion.

Balances at the end of FY 1980 represented 9.0 percent of spending. The balances at the end of FY 1981 drop to 3.3 percent of spending and in FY 1982 are estimated at 1.5 percent of spending. By this historical standard, projected balances at the end of both FY 1981 and FY 1982 are unusually low.

Table 2 shows the percentage change in each of the elements of Table 1 from 1980 to 1981 and from 1981 to 1982.

During FY 1981 states are increasing their expenditures more rapidly than their revenues. This will result in the rapid drawdown of ending balances. In FY 1982 the estimates show a slower spending increase, which would avoid a deficit condition for state governments as a whole.

3. Detailed Analysis

Table A-1 shows the ending balances by state for the fiscal years from 1979 through 1982. It shows that the decline in balances through those years is largely attributable to a few states. Alaska, which received a sharp boost in revenues from oil extraction, developed a balance that reached $2.2 billion by the end of FY 1980, but is scheduled to drop to $681 million at the end of FY 1982. California's FY 1979 ending balance of $2.9 billion is scheduled to drop to $29 million at the end of FY 1981 and to zero at the end of FY 1982. This reflects the use of state surpluses to offset some of the impact of local revenue reduction resulting from Proposition 13. Several states found their balances growing in FY 1979 and FY 1980 as a result of unanticipated revenues from severance and other natural resource taxes. Some of these states, for example, Louisiana, are showing major reductions in or elimination of these balances. (The U.S. Supreme Court in June 1981 ruled Louisiana's tax on natural gas transported through the state unconstitutional, and eight states are asking the court to order Louisiana to refund to consumers $600 million in taxes and interest held in escrow during litigation.)

Estimated year-end balances of $100 million or more were forecast for the end of FY 1982 in only seven states: Alaska, Florida, Hawaii, Illinois, Kansas, North Dakota, and Ohio. A few states, normally those where FY 1982 is the first year of a biennial budget, show negative end-FY 1982 fund balances.

Year-end balances are expressed as a percentage of expenditures in Table A-2. The fifty-state average shows balances as dropping from 9 percent of expenditures for FY 1980 balances to 1.5 percent for end-FY 1982 balances.[3] FY

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[3] The averages, which accord equal weight to each state, will differ from the summary percentages discussed earlier in the text, which treat all state governments as though they were a single entity. Low balances in large states (for example, California and New York) affect the summary more than the averages.

1982 balances exceed 10 percent of estimated spending only in Alaska, Hawaii, Kansas, Montana, North Dakota, and Wyoming. Most of these states have benefited from unanticipated natural resource revenues in recent years.

Tables A-3, A-4, and A-5 show state resources, expenditures, and balances for fiscal 1980, 1981, and 1982, respectively.

Table A-6 expresses the ending balance of each year as the number of working days that could be financed out of the balance. The average for all states drops from 22 days, or about the number in a month, for FY 1980 expenditures to less than one week for estimated FY 1982 spending. Montana could finance expenditures out of balance the longest in FY 1982, over three months. Minnesota shows a negative number because state officials had not resolved a possible deficit (requiring tax increases or expenditure reductions) at the time the survey form was submitted. Some other states show negative balances from the first year of a balanced biennial budget.

Tables A-7, A-8, and A-9 show that without prior-year balances that could be carried forward to begin the next year's budget, state governments in the aggregate would be in deficit for the third consecutive year in fiscal 1982. In a sense, these tables show state government general funds on a basis similar to the federal budget, with revenues collected and expenditures made during the fiscal year reconciled to a closing surplus or deficit. This analogy should not be carried too far; actual differences between federal and state government finance are more complex and, as noted earlier, involve such factors as treatment of debt. Nevertheless, these tables help put into perspective the degree to which state balances serve to stabilize tax and expenditure levels. The balances should be regarded, therefore, as hedges against economic uncertainty rather than signs of excessive prosperity.

Table A-7 shows that state governments, in the aggregate, had slightly less revenues than expenditures during FY 1980, before considering transfers and adjustments, and a slight balance after considering them. How-

ever, the aggregate number conceals considerable diversity. Alaska's revenues in that year exceeded spending by $1.3 billion, while California, Massachusetts, and Wisconsin had substantial deficits. In FY 1981, the survey indicates that state governments will take in $6.9 billion less than they spend (see Table A-8). Nearly half of this deficit is accounted for by two states, Alaska and California, both of which had large beginning balances to be drawn down during the year. Only about 20 percent of the states were anticipating, at the time of the survey, having more revenues in FY 1981 than expenditures.

Table A-9 shows that in FY 1982 the planned deficits amount to only $2.3 billion for the sector as a whole. Alaska, Texas and Florida plan to draw down substantial beginning balances, and along with New Jersey, account for over half the total deficit of the sector as a whole.

Table A-10 translates changes in state spending into real (inflation-adjusted) terms.[4] It indicates significant growth in real spending for FY 1981, but a decline in inflation-adjusted spending for FY 1982. State government real spending from FY 1980 to FY 1982 is estimated by the survey results to grow by $4.8 billion, of which Alaska accounts for $3.9 billion.[5] About a third of the states show

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[4]Several choices are available as indexes for inflation adjustments. Table A-10 uses the increase in the portion of the GNP deflator for state and local government from the first quarter of 1980 to the first quarter of 1981 of 8.5 percent at an annual rate. If the consumer price index had been used, real spending growth would appear less than what is shown in Table A-10.

[5]Shifting resources from the general fund to some other fund, such as a retirement fund, is counted as spending in the general fund in normal state procedures. The large increase in spending in Alaska includes a large shift into the special state investment fund. Shifts from other funds to the general fund are often counted as revenues, so Michigan's revenues would be lower but for transfers from the budget stabilization fund. Such major shifts do not affect the data for most states.

a real spending drop from FY 1980 to FY 1982. Over half the states are predicting a drop in real spending from FY 1981 to FY 1982. This number would be considerably larger if the consumer price index had been used as the measure of inflationary impacts.

Table A-11 expresses expenditure increases and decreases, adjusted by the GNP deflator to reflect inflation, in terms of percentage change by state. It shows that the aggregate figures conceal important state-by-state differences. The extremes are shown in Table 3.

4. The Outlook for State Finances

Economic Factors. The aggregate data provided by the fiscal survey of states indicate that state revenues are expected to increase by 8 percent in FY 1981 and by 10 percent in FY 1982. This reflects the responsiveness of major state revenue sources, particularly the sales tax and personal income taxes, to inflation. Whether the predicted increases in revenues will actually be realized depends, of course, on overall national economic conditions over which individual state governments exercise no control. In addition, state revenue estimates for fiscal 1982 were made before the impact of the federal tax bill on the states could be determined. Although the National Governors' Association published a report in January 1981 noting that each of the major federal tax cut bills then pending would cause state revenue losses, state officials had no firm basis for adjusting their revenue estimates until the federal tax bill was finally enacted in August. On August 8, NGA published a report estimating that the federal tax legislation would cost states in FY 82 about $2 billion in lost corporate tax revenues, primarily because state depreciation schedules are linked to the federal schedule, and $300 million in higher borrowing costs due to competition from the so-called all savers tax-exempt certificates.

Based upon the estimates provided in the survey, state governments spent about $6.7 billion more than revenues in the fiscal year which, for most of them, ended on June 30, 1981. This operating deficit for the sector as a whole will draw down balances during the fiscal year so

that the ending balance for the sector will be just under $5 billion as FY 1982 begins. As a result, revenues must rise faster than spending in FY 1982, which as indicated by Table 2 is what is anticipated.

When states are considered individually, major differences appear in their fiscal condition. The states that depend heavily upon the depressed auto industry show signs of considerable fiscal strain. Michigan has dipped into its stabilization fund in order to finance expenditures which are diminishing substantially in real terms. Ohio enacted a series of temporary taxes and reduced spending in order to balance its budget. On the other hand, states that receive substantial revenues from severance taxes have been able to increase their spending at a rate faster than that of other states, without increasing tax rates. California, which carried a large balance for many years, is quickly reducing that balance as the impact of Proposition 13 is felt in pressures for additional state assistance.

Demographic Factors. Population changes have a number of different impacts on the finances of state governments. Reductions in school enrollment and the reduced pressures of growth in higher education enrollment have reduced the need for capital outlays in education and permit lower operating costs increases than have been experienced in the past. The aging of the population as a whole increases costs associated with older persons (for example, medicaid for nursing home residents and property tax relief programs for the elderly).

Policy Choices. State financial decisions continue to reflect concern about the level of taxation, particularly on property. In discussing state tax policies, it should be noted that the requirement for a balanced operating budget causes states to adjust their tax rates more frequently than the federal government, particularly when the economy experiences substantial fluctuations, as has been the case in recent years. The contrast was most evident in the early and middle 1970s, when the states in the aggregate enacted scores of rate changes in their major general fund taxes, with increases equaling cuts. During this same

period, the federal government enacted four major income tax cuts with no increases.[6]

The real impact of tax legislation can differ from what rate changes appear to indicate, however. Toward the end of the 1970s, changes in the structure of state-local tax systems and the overriding impact of inflation appear to have given the state-local tax structure a characteristic previously unique to the federal system: unless rates are periodically adjusted downward, the real level of taxation rises.

The Fiscal Survey collects information on changes in state general fund tax rates, not in the real level of taxation, for which data are not readily available. In this year's survey, cuts in tax rates continue to outnumber increases.

Personal income tax reductions were reported as affecting FY 1980, FY 1981 or both in Alaska, California, Colorado, Delaware, Georgia (governor's proposal), Indiana, Iowa, Kansas, Louisiana, Maryland, Minnesota, Montana, Nebraska, New Mexico (governor's proposal), North Carolina, North Dakota, Oklahoma, Rhode Island (a one time rebate), and Vermont. New York is continuing to implement the phased tax reduction which was enacted in 1977 and 1978. Tax increases affecting general funds were rare: Alabama increased its cigarette tax; California and New Jersey increased their corporate income taxes; and Oregon speeded up collections of several taxes. As noted above, Ohio increased some taxes temporarily.

The survey returns indicate that states are continuing to reduce the burden of property taxes. For example, in Arizona a lid has been placed upon property tax increases and the state has assumed funding responsibility for teacher pensions, with local governments required to pass the savings along to the taxpayers. Idaho also has a property tax ceiling with state funding to compensate local governments for lost revenues. Iowa enacted a ceiling on

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[6] Understanding the Fiscal Condition of the States, pp. 3-4.

increases in property valuations. Local property tax relief measures also caused increased state spending in such states as Texas, Minnesota, and North Dakota.

Table 4 draws on national income accounts data in an attempt to measure the real impact of taxation at the federal and state-local levels. It shows changes in resources available to the governments as a percentage of the gross national product. The table shows that during the last decade, the federal government's share of government receipts steadily increased. State and local government receipts also rose as a percentage of GNP until 1977, the year before the so-called tax revolt became a national issue with the adoption of Proposition 13 in California in June 1978. From 1978 to 1981, state and local receipts dropped somewhat and then stabilized at about 11.3 percent of the economy.

Federal grants to state and local governments rose with federal receipts until 1978, when grants began turning downward. Since 1978, the federal government has continued to take more of the tax dollar and to return less to state and local governments.

Federal Funding. The figures shown in this report deal with state general funds and therefore do not include federal funds unless they are transferred to the general fund, as happened with general revenue sharing in some states. Nonetheless, federal funding can have impacts on general fund spending. States received their last general revenue sharing payments in October 1980. In addition, the FY 1982 budget proposed by the Reagan administration includes major reductions in a number of grant programs administered by state and local government.

Some of these reductions will undoubtedly create pressures on state governments to provide funding in areas such as schools and water pollution control to make up for the loss of federal funding. In one case, medicaid, states have been asked to assume a greater share of the burden of the program. Some of these reductions are taking place through deferrals and rescissions which affect the states in their FY 1981 budgets, but would not be reflected in the

Table 3

STATES EXPERIENCING MAJOR CHANGES
IN REAL EXPENDITURES, FY 1980-82

-- Increase over 5% --		-- Decrease over 5% --	
Alaska	Nebraska	Alabama	Pennsylvania
Arizona	New Mexico	Indiana	Tennessee
Connecticut	North Carolina	Iowa	Wisconsin
Florida	North Dakota	Maryland	
Georgia	Oklahoma	Michigan	
Hawaii	South Carolina	Montana	
Idaho	South Dakota	Nevada	
Louisiana	Texas	New Hampshire	
Mississippi	Wyoming	Oregon	

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table 4

MEASURES OF GOVERNMENT FINANCIAL ACTIVITY IN RELATION TO GNP

(in percents)

	1970	1975	1976	1977	1978	1979	1980 (projected)	1981 (projected)
Revenues								
Federal Receipts	19.3	18.5	19.3	19.6	20.0	20.5	20.5	21.7
State and Local Receipts	11.2	11.8	12.0	12.0	11.6	11.2	11.2	11.3
Federal Grants to State and Local Governments	2.5	3.5	3.6	3.5	3.6	3.3	3.3	3.2

Source: National income accounts data appearing in Economic Report of the President (1981) and, for 1981, seasonally adjusted annual rates reported in Survey of Current Business, May 1981.

numbers from this survey, which was taken before the cuts were known. However, the major impact will be in the states' FY 1982 budgets. State legislatures were forced to act in early 1981 on state FY 1982 budgets in an atmosphere of considerable uncertainty about federal funding.

Highway Funds. States maintain a number of funds besides their general fund. These funds are used to earmark revenues for particular categories of expenditure, such as gasoline taxes for highway construction and maintenance. The cents-per-gallon nature of the gasoline taxes in most states has combined with reduced gasoline consumption to lower these revenues in many states. At the same time, highway maintenance costs have increased in step with inflation, creating major fiscal problems in this area. This trend has triggered increases in highway user taxes in some states and diversion of general fund monies to highway maintenance in others.

According to the American Association of State Highway and Transportation Officials, twenty-two states implemented gasoline tax increases in 1981, and two states (Arizona and Oregon) have increases scheduled to go into effect in January 1982.

Gasoline taxes are the prime sources of state highway maintenance and construction funds. Although state general and highway funds are technically independent, highway fund problems can put indirect pressures on general funds by causing some shared functions, such as the state police, to draw an increasing portion of their support from the general fund. In some states, highways are financed from the general fund (Utah and New Jersey, for example).

Interaction with Local Government Finance. State government finances are closely intertwined with the finances of their political subdivisions. Extreme examples are California and Massachusetts where Propositions 13 and 2½ have limited local finances and caused expanded state spending on local government functions. Preliminary data from

municipal finance officers suggest that states are continuing to increase their assistance to the largest cities.[7]

[7] A study prepared for the Joint Economic Committee by the Municipal Finance Officers Association, Trends in the Fiscal Condition of Cities: 1979-81, indicates that the largest cities were expecting their 1981 general funds to reflect an 8.3 percent increase in state aid and a 3.8 percent increase in federal aid. The latter figure would not have reflected likely federal budget reductions in all cases.

Appendix A: Technical Notes

The Survey. The survey on which this report is based was taken by the National Governors' Association and National Association of State Budget Officers in the spring of 1981. The questionnaires were completed by state budget officers.

Complete data were provided by all fifty states for the financial tables. Budget offices also provided information on tax law changes and property tax limitations. A few states failed to return this portion of the questionnaire and some responses were incomplete. Therefore, the material appearing under the heading of "Policy Choices" in Section 4 of the report should not be viewed as reflecting every state's action in the categories mentioned.

Biennial Budget States. Some states enact budgets for two fiscal years rather than one. In these states, the requirement for balanced budgets requires a budget that is balanced over the biennium. In such states, it is possible for the balance at the end of the first year of the biennium to be a negative number. In some of these states, general estimating techniques were used to apportion receipts and expenditures to FY 1982.

Adjustments, Transfers and Expenditure Reporting. The structure of the survey presumed accounting identities as follows:

(1) TOTAL FUNDS AVAILABLE = Beginning Balance + Adjustments + Revenue

(2) ENDING BALANCE = Total Funds Available - Transfers - Expenditures

(3) BEGINNING BALANCE, Year N = Ending Balance, Year N-1[8]

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[8]This accounting identity was not followed in a few states, with minor impacts on overall results.

Transfers and adjustments may have negative or positive values.

Reporting concepts within this structure vary from state to state, as do definitions of what activities are included within the general fund. Thus, the results of the fiscal survey are not particularly appropriate for comparisons among states in total spending (for example, per capita expenditures). They are more appropriate for comparisons over time within the same state.

States differ in how they use adjustments and transfers. Most states reported "zero" for one or both of these items. This is because the same transactions may be reported differently in different states. For example, states with personal income taxes receive withheld taxes during a fiscal year, some of which may be paid back as refunds in a subsequent fiscal year. The ways to handle this situation include:

(1) Deducting the future refunds from the current revenues,

(2) Deducting the future refunds from the future revenues,

(3) Transferring funds to a reserve for refunds, or

(4) Treating refunds as adjustments.

Similar differences in treatment arise in accounting for funds obligated in one year to be spent in another and handling lapses – appropriated funds that are not spent.

Reliability of Estimates. FY 1980 closed for most states in June 1980 and for all states sometime in 1980. Thus, FY 1980 numbers are normally actuals, with adjustments possible only as a result of audits. FY 1981 was only partially complete when the survey was taken, so the data represent actuals for a portion of the year and estimates.

Only official revenue and expenditure estimates are used. In some cases, the reliability of revenue forecasts is

a function of the length of time since the official forecast was last updated. For example, Texas shows a deficit in fiscal 1982 because at the time of the survey the controller had not updated the official revenue forecast. The controller did certify, however, that sufficient revenues would be available to cover expenditures, and the budget office estimates that Texas will have a balance of $149 million, or 2.9 percent of expenditures.

Relationship to Other Reports. The general fund is what is usually referred to in news reports that a state's budget is balanced or that revenues are running ahead of expectations or behind them. In addition, the general fund supports most broad-based state services and is the source of most aid to local governments. As such, it is the appropriate concept for considering the current fiscal position of state governments. This general fund orientation of this survey will also be found in a comparable survey of city governments conducted by the Municipal Finance Officers Association for the Joint Economic Committee.

Bureau of Census reports on governmental finances reflect aggregate spending from all funds, both in toto and on a function-by-function basis. As a result they are more useful for comparing total outlays of different governments as well as spending by functions at each level of government. They are less useful for considering fiscal condition because they do not reflect the financial structure underlying revenues and expenditures.

State and local government financial estimates provided in the national income accounts have a significantly different conceptual basis from the estimates in this report. The national income accounts measure receipt and expenditure flows among sectors of the economy, not fiscal condition. For the state and local government sector, as for other sectors, they show net flows of funds, typically during a three-month period, with totals expressed at an annual rate and with seasonal influences removed. The national income accounts are not a good measure of the absolute fiscal condition of state and local governments because they do not show debts incurred by state and local

governments, nor do they provide detail on individual governments or even on all state governments as opposed to all local governments. The national income accounts do separate "social insurance" funds from "other funds," thereby allowing users to distinguish between accumulation of reserves for the payment of future public employee retirement benefits and the accumulation of funds for other purposes. This distinction has often been ignored by users,[9] however, leading to substantial misunderstandings about the significance of the aggregate data. Because current national income accounts of current activity focus on a brief (three-month) time period and are based on preliminary or partial survey data, the state-local surplus and deficit totals may fluctuate substantially. The national income accounts thus may provide a sensitive indicator of the current direction of state-local fiscal condition (improving or deteriorating) but they do not provide (and are not intended to provide) a measure of absolute fiscal condition.

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[9] See Martin Feldstein, "Can Federal Spending Be Reduced?" Wall Street Journal, February 2, 1981.

APPENDIX B

Table A-1

ENDING BALANCES BY STATE

($ millions)

State	FY 1979 [a]	FY 1980	FY 1981	FY 1982
Alabama	20	18	0	0
Alaska	691	2,194	1,031	681
Arizona	117	234	119	23
Arkansas	0	1	0	0
California	2,905	2,541	29	0
Colorado	293	261	60	70
Connecticut	1	0	-35	0
Delaware	60	40	22	18
Florida	556	654	531	397
Georgia	134	159	66	0
Hawaii	67	179	187	225
Idaho	10	7	0	0
Illinois	390	390	225	225
Indiana	333	217	66	17
Iowa	91	28	0	30
Kansas	196	183	138	138
Kentucky	80	14	0	0
Louisiana	378	550	251	0
Maine	26	19	6	3
Maryland	319	293	105	0
Massachusetts	197	44	34	10
Michigan	29	0	0	0
Minnesota	259	121	20	-180
Mississippi	72	60	82	9
Missouri	316	240	64	99

Montana	29	42	44	79
Nebraska	42	116	35	36
Nevada	88	66	24	33
New Hampshire	34	10	0	-7
New Jersey	224	281	300	30
New Mexico	100	140	114	96
New York	10	11	11	12
North Carolina	188	283	131	0
North Dakota	160	157	176	126
Ohio	357	142	134	129
Oklahoma	95	56	56	56
Oregon	272	96	10	7
Pennsylvania	28	68	66	1
Rhode Island	42	35	33	1
South Carolina	13	49	0	0
South Dakota	11	16	20	8
Tennessee	146	84	36	36
Texas	629	439	394	-112[b]
Utah	15	9	6	0
Vermont	0	-7	0	0
Virginia	254	351	37	8
Washington	411	125	0	-119
West Virginia	94	83	16	1
Wisconsin	281	73	1	32
Wyoming	115	140	81	75
Total	11,192	11,314	4,726	2,293

[a]FY 1979 ending balance assumed equal to FY 1980 beginning balance, see appendix.

[b]See comment on pp. 19-20.

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-2

ENDING BALANCE AS PERCENTAGE OF EXPENDITURES

(balance at end of year related to expenditure during year)

State	FY 1980	FY 1981	FY 1982
Alabama	1.2	0.0	0.0
Alaska	188.2	21.5	12.8
Arizona	19.7	8.0	1.4
Arkansas	9.1	0.0	0.0
California	13.7	0.1	0.0
Colorado	21.5	4.2	4.8
Connecticut	0.0	-1.3	0.0
Delaware	6.8	3.3	2.5
Florida	17.6	12.2	7.6
Georgia	5.8	2.1	0.0
Hawaii	18.3	16.0	18.3
Idaho	1.9	0.0	0.0
Illinois	5.2	2.7	2.6
Indiana	10.7	3.0	0.8
Iowa	1.8	0.0	1.8
Kansas	16.5	10.8	10.2
Kentucky	9.8	0.0	0.0
Louisiana	19.3	7.1	0.0
Maine	3.6	1.1	0.5
Maryland	11.2	3.7	0.0
Massachusetts	1.1	0.8	0.2
Michigan	0.0	0.0	0.0
Minnesota	3.4	0.5	-4.2
Mississippi	6.2	7.7	0.7
Missouri	13.7	3.1	4.6

Montana	17.8	16.9	31.1
Nebraska	20.3	4.9	5.0
Nevada	18.6	6.1	8.9
New Hampshire	3.9	0.0	-2.6
New Jersey	5.9	5.9	0.5
New Mexico	16.6	10.7	8.4
New York	0.1	0.1	0.1
North Carolina	10.4	4.2	0.0
North Dakota	53.2	50.6	25.5
Ohio	3.4	2.8	2.6
Oklahoma	5.6	5.4	4.3
Oregon	6.7	0.7	0.5
Pennsylvania	1.1	1.0	0.0
Rhode Island	5.2	4.3	0.1
South Carolina	3.2	0.0	0.0
South Dakota	7.3	8.6	2.9
Tennessee	4.9	2.2	2.1
Texas	10.7	9.3	-2.1[a]
Utah	1.2	0.8	0.0
Vermont	-3.1	0.0	0.0
Virginia	14.1	1.3	0.3
Washington	4.6	0.0	-3.6
West Virginia	7.9	1.4	0.1
Wisconsin	2.2	0.0	0.9
Wyoming	70.0	25.7	22.5
Weighted Average	9.0	3.3	1.5

[a]See comment on pp. 19-20.

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-3

RESOURCES, EXPENDITURES, AND BALANCES, FY 1980

($ millions)

State	Resources	Expenditures	Balance
Alabama	1,535	1,517	18
Alaska	3,359	1,166	2,194
Arizona	1,424	1,190	234
Arkansas	830	830	1
California	21,075	18,534	2,541
Colorado	1,521	1,260	261
Connecticut	2,395	2,395	0
Delaware	660	620	40
Florida	4,369	3,715	654
Georgia	2,900	2,741	159
Hawaii	1,156	977	179
Idaho	366	360	7
Illinois	7,832	7,442	390
Indiana	2,252	2,036	217
Iowa	1,624	1,595	28
Kansas	1,296	1,112	183
Kentucky	1,880	1,866	14
Louisiana	3,399	2,849	550
Maine	548	529	19
Maryland	2,911	2,618	293
Massachusetts	3,932	3,887	44
Michigan	4,772	4,772	0
Minnesota	3,682	3,561	121
Mississippi	1,030	970	60
Missouri	2,152	1,912	240

Montana	279	236	42
Nebraska	687	571	116
Nevada	421	355	66
New Hampshire	266	256	10
New Jersey	5,051	4,770	281
New Mexico	983	844	140
New York	13,349	13,338	11
North Carolina	3,030	2,745	285
North Dakota	452	295	157
Ohio	4,380	4,238	142
Oklahoma	1,054	998	56
Oregon	1,521	1,424	96
Pennsylvania	6,491	6,424	68
Rhode Island	708	673	35
South Carolina	1,581	1,532	49
South Dakota	236	220	16
Tennessee	1,844	1,759	84
Texas	4,560	4,122	439
Utah	755	747	9
Vermont	218	226	-7
Virginia	2,835	2,485	351
Washington	2,817	2,692	125
West Virginia	1,128	1,045	83
Wisconsin	3,402	3,329	73
Wyoming	340	200	140
Total	137,288	125,978	11,314

Note: Resources include 1979 balances carried forward plus (or minus) adjustments plus revenues. Expenditures include transfers (plus or minus).

Table A-4

RESOURCES, EXPENDITURES, AND BALANCES, FY 1981

($ millions)

State	Resources	Expenditures	Balance
Alabama	1,629	1,629	0
Alaska	5,825	4,794	1,031
Arizona	1,602	1,484	119
Arkansas	898	898	0
California	21,596	21,567	29
Colorado	1,534	1,474	60
Connecticut	2,676	2,711	-35
Delaware	717	695	22
Florida	4,870	4,340	531
Georgia	3,236	3,170	66
Hawaii	1,354	1,166	187
Idaho	387	387	0
Illinois	8,572	8,347	225
Indiana	2,242	2,176	66
Iowa	1,643	1,642	0
Kansas	1,409	1,272	138
Kentucky	1,966	1,966	0
Louisiana	3,771	3,520	251
Maine	577	571	6
Maryland	2,941	2,836	105
Massachusetts	4,251	4,219	34
Michigan	4,355	4,354	0
Minnesota	3,827	3,807	20
Mississippi	1,147	1,065	82
Missouri	2,155	2,092	64

Montana	305	261	44
Nebraska	743	708	35
Nevada	416	392	24
New Hampshire	245	244	0
New Jersey	5,424	5,125	300
New Mexico	1,177	1,063	114
New York	15,021	15,009	11
North Carolina	3,282	3,151	131
North Dakota	524	348	176
Ohio	4,872	4,738	134
Oklahoma	1,102	1,045	56
Oregon	1,470	1,461	10
Pennsylvania	6,864	6,798	66
Rhode Island	799	767	33
South Carolina	1,769	1,768	0
South Dakota	252	233	20
Tennessee	1,740	1,705	36
Texas	4,653	4,259	394
Utah	789	782	6
Vermont	247	246	0
Virginia	2,928	2,891	37
Washington	3,053	3,052	0
West Virginia	1,147	1,131	16
Wisconsin	3,410	3,409	1
Wyoming	396	315	81
Total	147,808	143,083	4,726

Note: Resources include 1980 balances carried forward plus (or minus) adjustments plus revenues. Expenditures include transfers (plus or minus).

This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-5

RESOURCES, EXPENDITURES, AND BALANCES, FY 1982

($ millions)

State	Resources	Expenditures	Balance
Alabama	1,682	1,682	0
Alaska	5,986	5,305	681
Arizona	1,639	1,616	23
Arkansas	985	985	0
California	21,049	21,049	0
Colorado	1,587	1,517	70
Connecticut	3,008	3,008	0
Delaware	766	748	18
Florida	5,654	5,256	397
Georgia	3,419	3,419	0
Hawaii	1,453	1,229	225
Idaho	452	452	0
Illinois	9,028	8,803	225
Indiana	2,187	2,170	17
Iowa	1,740	1,710	30
Kansas	1,491	1,352	138
Kentucky	2,120	2,120	0
Louisiana	4,094	4,094	0
Maine	629	626	3
Maryland	2,918	2,919	0
Massachusetts	4,448	4,438	10
Michigan	4,976	4,976	0
Minnesota	4,126	4,306	-180
Mississippi	1,285	1,276	9
Missouri	2,244	2,144	99

Montana	334	254	79
Nebraska	757	721	36
Nevada	403	370	33
New Hampshire	260	267	-7
New Jersey	5,666	5,635	30
New Mexico	1,235	1,139	96
New York	16,334	16,323	12
North Carolina	3,433	3,433	0
North Dakota	620	494	126
Ohio	5,140	5,010	129
Oklahoma	1,365	1,308	56
Oregon	1,557	1,550	7
Pennsylvania	7,197	7,196	1
Rhode Island	797	796	1
South Carolina	1,903	1,903	0
South Dakota	284	276	8
Tennessee	1,782	1,746	36
Texas	5,112[a]	5,245	-112[a]
Utah	864	863	0
Vermont	275	275	0
Virginia	2,852	2,844	8
Washington	3,146	3,265	-119
West Virginia	1,294	1,293	1
Wisconsin	3,640	3,609	32
Wyoming	408	333	75
Total	155,619	153,343	2,293

[a]See comment on pp. 19-20.

Note: Resources include 1980 balances carried forward plus (or minus) adjustments plus revenues. Expenditures include transfers (plus or minus).

This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-6

NUMBER OF DAYS OF OPERATIONS THAT COULD BE FINANCED FROM BALANCES

(balance at end of year related to expenditure during year)

State	FY 1980	FY 1981	FY 1982
Alabama	3	0	0
Alaska	470	54	32
Arizona	49	20	4
Arkansas	0	0	0
California	34	0	0
Colorado	54	11	12
Connecticut	0	-3	0
Delaware	17	8	6
Florida	44	31	19
Georgia	15	5	0
Hawaii	46	40	46
Idaho	5	0	0
Illinois	13	7	6
Indiana	27	8	2
Iowa	4	0	4
Kansas	41	27	26
Kentucky	2	0	0
Louisiana	48	18	0
Maine	9	3	1
Maryland	28	9	0
Massachusetts	3	2	1
Michigan	0	0	0
Minnesota	8	1	- 10
Mississippi	15	19	2
Missouri	34	8	12

Montana	44	42	78
Nebraska	51	12	12
Nevada	46	15	22
New Hampshire	10	0	-7
New Jersey	15	15	1
New Mexico	41	27	21
New York	0	0	0
North Carolina	26	10	0
North Dakota	133	126	64
Ohio	8	7	6
Oklahoma	14	13	11
Oregon	17	2	1
Pennsylvania	3	2	0
Rhode Island	13	11	0
South Carolina	8	0	0
South Dakota	18	21	7
Tennessee	12	5	5
Texas	27	23	-5[a]
Utah	3	2	0
Vermont	-8	0	0
Virginia	35	3	1
Washington	12	0	-9
West Virginia	20	4	0
Wisconsin	5	0	2
Wyoming	175	64	56
Unweighted Average	34	13	9
Weighted Average	22	8	4

[a]See comment on pp. 19-20.

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-7

FY 1980 REVENUES, EXPENDITURES, AND SURPLUS OR DEFICIT

($ millions)

State	Revenues	Expenditures	Surplus or Deficit (-)
Alabama	1,519	1,517	2
Alaska	2,501	1,166	1,335
Arizona	1,267	1,190	77
Arkansas	968	822	146
California	17,985	18,534	-549
Colorado	1,202	1,214	-12
Connecticut	2,394	2,392	2
Delaware	600	591	9
Florida	3,700	3,715	-15
Georgia	2,766	2,741	25
Hawaii	1,085	977	108
Idaho	356	360	-4
Illinois	7,442	7,442	0
Indiana	1,903	2,036	-133
Iowa	1,665	1,595	70
Kansas	1,098	1,112	-14
Kentucky	1,782	1,866	-84
Louisiana	3,021	2,849	172
Maine	522	527	-5
Maryland	2,592	2,618	-26
Massachusetts	3,558	3,959	-401
Michigan	4,720	4,772	-52
Minnesota	3,408	3,561	-153
Mississippi	958	970	-12
Missouri	1,836	1,749	87

Montana	248	236	12
Nebraska	725	571	154
Nevada	322	355	-33
New Hampshire	232	256	-24
New Jersey	4,667	4,770	-103
New Mexico	775	844	-69
New York	13,451	13,322	129
North Carolina	2,842	2,745	97
North Dakota	292	295	-3
Ohio	4,023	4,238	-215
Oklahoma	1,076	998	78
Oregon	1,249	1,424	-175
Pennsylvania	6,407	6,424	-17
Rhode Island	658	673	-15
South Carolina	1,568	1,529	39
South Dakota	225	220	5
Tennessee	1,698	1,699	-1
Texas	3,940	4,122	-182
Utah	739	747	-8
Vermont	218	226	-8
Virginia	2,392	2,485	-93
Washington	2,406	2,692	-286
West Virginia	1,034	1,045	-11
Wisconsin	2,980	3,329	-349
Wyoming	225	200	25
Total[a]	125,240	125,720	-480

[a]If adjustments are added to (subtracted from) revenues and transfers added to (subtracted from) expenditures, totals are revenues of $126,096, expenditures of $125,978 and surplus of $118.

Table A-8

FY 1981 REVENUES, EXPENDITURES, AND SURPLUS OR DEFICIT

($ millions)

State	Revenues	Expenditures	Surplus or Deficit (-)
Alabama	1,615	1,629	-14
Alaska	3,631	4,794	-1,163
Arizona	1,313	1,484	-171
Arkansas	996	895	101
California	19,055	21,197	-2,142
Colorado	1,220	1,425	-205
Connecticut	2,676	2,711	-35
Delaware	648	663	-15
Florida	4,130	4,340	-210
Georgia	3,077	3,170	-93
Hawaii	1,173	1,166	7
Idaho	380	387	-7
Illinois	8,182	8,347	-165
Indiana	2,008	2,176	-168
Iowa	1,721	1,642	79
Kansas	1,226	1,272	-46
Kentucky	1,910	1,966	-56
Louisiana	3,221	3,520	-299
Maine	556	569	-13
Maryland	2,648	2,836	-188
Massachusetts	3,988	4,256	-268
Michigan	4,345	4,354	-9
Minnesota	3,722	3,807	-85
Mississippi	1,087	1,065	22
Missouri	1,915	2,092	-177

Montana	263	261	2
Nebraska	782	708	74
Nevada	334	392	-58
New Hampshire	235	244	-9
New Jersey	5,026	5,125	-99
New Mexico	913	1,063	-150
New York	14,827	14,993	-166
North Carolina	2,997	3,151	-154
North Dakota	367	348	19
Ohio	4,730	4,738	-8
Oklahoma	1,076	1,045	31
Oregon	1,374	1,461	-87
Pennsylvania	6,726	6,798	-72
Rhode Island	716	767	-51
South Carolina	1,720	1,768	-48
South Dakota	236	233	3
Tennessee	1,656	1,670	-14
Texas	4,214	4,259	-45
Utah	778	782	-4
Vermont	244	246	-2
Virginia	2,574	2,891	-317
Washington	2,928	3,052	-124
West Virginia	1,064	1,131	-67
Wisconsin	3,266	3,409	-143
Wyoming	236	313	-39
Total	135,745	142,613	-6,868

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-9

FY 1982 REVENUES, EXPENDITURES, AND SURPLUS OR DEFICIT

($ millions)

State	Revenues	Expenditures	Surplus or Deficit (-)
Alabama	1,686	1,682	4
Alaska	4,955	5,305	-350
Arizona	1,523	1,616	-93
Arkansas	1,006	980	26
California	21,020	20,799	221
Colorado	1,478	1,465	13
Connecticut	3,008	3,008	0
Delaware	712	712	0
Florida	4,907	5,256	-349
Georgia	3,353	3,419	-66
Hawaii	1,266	1,229	37
Idaho	438	452	-14
Illinois	8,803	8,803	0
Indiana	2,116	2,170	-54
Iowa	1,873	1,710	163
Kansas	1,353	1,352	1
Kentucky	2,120	2,120	0
Louisiana	3,843	3,859	-16
Maine	621	624	-3
Maryland	2,813	2,919	-106
Massachusetts	4,330	4,475	-145
Michigan	4,976	4,976	0
Minnesota	4,094	4,306	-212
Mississippi	1,203	1,276	-73
Missouri	2,150	2,144	6

Montana	290	254	36
Nebraska	810	721	89
Nevada	374	370	4
New Hampshire	261	267	-6
New Jersey	5,366	5,635	-269
New Mexico	972	1,139	-167
New York	16,323	16,307	16
North Carolina	3,302	3,433	-131
North Dakota	452	494	-42
Ohio	5,006	5,010	-4
Oklahoma	1,308	1,308	0
Oregon	1,547	1,550	-3
Pennsylvania	7,131	7,196	-65
Rhode Island	761	796	-35
South Carolina	1,903	1,903	0
South Dakota	264	276	-12
Tennessee	1,746	1,734	12
Texas	4,718	5,245	-527
Utah	862	863	-1
Vermont	273	275	-2
Virginia	2,815	2,844	-29
Washington	3,146	3,265	-119
West Virginia	1,278	1,293	-15
Wisconsin	3,576	3,609	-33
Wyoming	327	333	-6
Total	150,458	152,777	-2,319

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-10

ANALYSIS OF EXPENDITURE INCREASES IN REAL TERMS

(using 8.5 percent annual increase in GNP deflator)
($ millions)

State	FY 1980-81	FY 1981-82	FY 1980-82
Alabama	-17	-85	-104
Alaska	3,529	104	3,932
Arizona	193	6	215
Arkansas	3	9	12
California	1,088	-2,200	-1,019
Colorado	108	-81	36
Connecticut	116	67	192
Delaware	22	-7	16
Florida	309	547	883
Georgia	196	-20	192
Hawaii	106	-36	79
Idaho	-4	32	28
Illinois	272	-253	42
Indiana	-33	-191	-227
Iowa	-89	-72	-168
Kansas	65	-28	43
Kentucky	-59	-13	-77
Louisiana	429	40	505
Maine	-3	7	4
Maryland	-5	-158	-163
Massachusetts	-40	-143	-186
Michigan	-824	252	-642
Minnesota	-57	175	114
Mississippi	13	120	134
Missouri	194	-126	85

Montana	5	-29	-24
Nebraska	88	-47	49
Nevada	7	-55	-48
New Hampshire	-34	2	-34
New Jersey	-50	74	20
New Mexico	147	-14	145
New York	539	40	624
North Carolina	173	14	202
North Dakota	28	116	147
Ohio	140	-131	21
Oklahoma	-38	174	133
Oregon	-84	-35	-126
Pennsylvania	-172	-180	-366
Rhode Island	37	-36	4
South Carolina	109	-15	103
South Dakota	-6	23	17
Tennessee	-173	-78	-266
Texas	-213	624	393
Utah	-28	15	-16
Vermont	1	8	9
Virginia	195	-293	-81
Washington	131	-46	96
West Virginia	-3	66	63
Wisconsin	-203	-90	-310
Wyoming	98	-9	98
Total	6,207	-1,958	4,779

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.

Table A-11

ANALYSIS OF EXPENDITURE INCREASES IN REAL TERMS

(using 8.5 percent annual increase in GNP deflator)
(percent increase)

State	FY 1980-81	FY 1981-82	FY 1980-82
Alabama	-1.1	-5.2	-6.2
Alaska	302.6	2.2	74.1
Arizona	16.2	0.4	13.3
Arkansas	0.4	1.0	1.3
California	5.9	-10.4	-4.9
Colorado	8.9	-5.7	2.4
Connecticut	4.8	2.5	6.4
Delaware	3.7	-1.1	2.3
Florida	8.3	12.6	16.8
Georgia	7.2	-0.6	5.6
Hawaii	10.8	-3.1	6.4
Idaho	-1.0	8.3	6.2
Illinois	3.7	-3.0	0.5
Indiana	-1.6	-8.8	-10.5
Iowa	-5.6	-4.4	-9.8
Kansas	5.9	-2.2	3.2
Kentucky	-3.1	-0.7	-3.6
Louisiana	15.1	1.1	13.1
Maine	-0.5	1.2	0.6
Maryland	-0.2	-5.6	-5.6
Massachusetts	-1.0	-3.4	-4.1
Michigan	-17.3	5.8	-12.9
Minnesota	-1.6	4.6	2.6
Mississippi	1.3	11.3	10.5
Missouri	11.1	-6.0	4.0

Montana	2.1	-11.2	-9.4
Nebraska	15.5	-6.7	6.8
Nevada	1.9	-14.1	-12.9
New Hampshire	-13.2	0.9	-12.9
New Jersey	-1.1	1.5	0.4
New Mexico	17.4	-1.4	12.8
New York	4.0	0.3	3.8
North Carolina	6.3	0.4	5.9
North Dakota	9.5	33.5	29.7
Ohio	3.3	-2.8	0.4
Oklahoma	-3.8	16.7	10.2
Oregon	-5.9	-2.4	-8.2
Pennsylvania	-2.7	-2.6	-5.1
Rhode Island	5.5	-4.7	0.5
South Carolina	7.1	-0.9	5.4
South Dakota	-2.6	10.0	6.2
Tennessee	-10.2	-4.7	-15.3
Texas	-5.2	14.7	7.5
Utah	-3.8	1.9	-1.9
Vermont	0.3	3.3	3.3
Virginia	7.8	-10.1	-2.9
Washington	4.9	-1.5	2.9
West Virginia	-0.3	5.8	4.9
Wisconsin	-6.1	-2.6	-8.6
Wyoming	49.0	-2.8	29.3
Total	4.9	-1.4	3.8

Note: This table is based on data collected in the spring of 1981, before federal budget and tax cuts were enacted.